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HON. FRED VAN SICKLE

5 UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF WASHINGTON AT SPOKANE
6

7 K.S. by her guardian ad litem Kenneth L.
Isserlis, and DOROTHY SPIOTTA and
PAUL SPIOTTA,

No. CV-08-243-FVS

8 Plaintiffs,
9

THIRD AMENDED COMPLAINT
FOR DAMAGES

10 v.
11

DEMAND FOR JURY

12 AMBASSADOR PROGRAMS, INC.,
AMBASSADORS GROUP, INC.,
PEOPLE TO PEOPLE
INTERNATIONAL,

13 Defendants.
14

15 COMES NOW the Plaintiffs, K.S., DOROTHY SPIOTTA and PAUL
16 SPIOTTA, by and through their attorneys, and state:

17 **I. PARTIES**

18 1.1 K.S. is a minor child and a citizen and resident of Virginia. She
19 appears here by her guardian ad litem Kenneth L. Isserlis.
20

1 1.2 Dorothy and Paul Spiotta are a married couple, citizens and residents
2 of Virginia, and the parents of K.S.

3 1.3 Defendant AMBASSADOR PROGRAMS, INC. is a Delaware
4 corporation with its principal place of business in Spokane, Washington and does
5 business as People to People Student Ambassador Programs, People to People and
6 various other assumed business names in Washington, various other states and
7 worldwide.

8 1.4 Defendant AMBASSADORS GROUP, INC. is a Delaware
9 corporation headquartered in Spokane, Washington and does business as People to
10 People Student Ambassador Programs, People to People, Ambassador Programs
11 Inc. and various other assumed business names in Washington, various other states
12 and worldwide.

13 1.5 Defendant PEOPLE TO PEOPLE INTERNATIONAL is a Missouri
14 corporation and does business as People to People Student Ambassador Programs,
15 People to People and various other assumed business names in Washington,
16 various other states and worldwide.

17 1.6 Collectively, Defendants Ambassador Programs Inc., Ambassadors
18 Group Inc., and People to People International, markets, sells, plans, organizes,
19 and implements overseas trips for minor children, or purported to do so.
20

1 1.7 One or more defendants hired Sara B. Hobbs, Katie E. Calvert, Dawn
2 M. Hotaling, and Van Hoffman to accompany and care for minor children on
3 defendants' overseas trips.

4 1.8 At all material times, Sara B. Hobbs, Katie E. Calvert, Dawn M.
5 Hotaling, and Van Hoffman were acting as employees or agents of one or more of
6 the defendant corporations, doing business in Washington, through contracts
7 governed by Washington law.

8 **II. JURISDICTION AND VENUE**

9 2.1 The jurisdiction of this court is invoked pursuant to 28 USC § 1332 as
10 plaintiffs are citizens of the State of Virginia and Defendants are citizens of the
11 State of Washington and other states and the amount in controversy for each
12 plaintiff exceeds \$75,000.

13 2.2 This court has personal jurisdiction over the defendants because they
14 are corporations transacting business in the State of Washington, marketing their
15 services in the State of Washington, selling their services in the State of
16 Washington, and administering their programs in the State of Washington, through
17 contracts expressly governed by Washington law.

18 2.3 Venue is proper pursuant to 28 USC § 1391(c) because at least one of
19 the defendants transact business in the Eastern District of Washington, has an
20 office for the transaction of business in the Eastern District of Washington, and

1 transacted business in the Eastern District of Washington at the time the cause of
2 action arose.

3 **III. FACTUAL ALLEGATIONS**

4 3.1 In 2005, Defendants contacted Plaintiffs and invited K.S. to become a
5 People to People Student Ambassador and travel with their Student Ambassador
6 Program.

7 3.2 In informational meetings and other communications, Defendants
8 made various factual representations to the Plaintiffs about the program's history,
9 founder, chairmen, CEO and president; meals abroad; its health and safety
10 protocols and benefits of medical insurance; the qualifications and training of its
11 staff to care for student ambassadors in their custody; the sponsorship and approval
12 of their services; their affiliations, connections, or associations with each other;
13 and represented that its services were of a particular standard and quality.

14 3.3 Plaintiffs Dorothy and Paul Spiotta relied on those representations
15 when they entered into an agreement in which Defendants agreed to take custody
16 of their 11-year-old daughter on a three week trip to Australia.

17 3.4 After K.S.'s acceptance into the program, Defendants continued to
18 make the same factual representations about the program as set forth in paragraph
19 3.2, and Plaintiffs continued to rely on them.

1 3.5 At K.S.'s pre-trip physical examination she weighed approximately
2 110 pounds and was in good health.

3 3.6 In connection with K.S.'s enrollment, the plaintiffs paid for insurance
4 to cover her health care needs during and as a result of the trip, in order to assure
5 K.S. would have access to proper health care at all times.

6 3.7 On July 25, 2006, Plaintiffs Dorothy and Paul Spiotta placed their
7 daughter K.S. in the custody of Defendants. Defendants took custody of K.S. and
8 thereby assumed the duty to care for her, including but not limited to a duty to
9 supervise and monitor her health and food intake, protect her, and a duty to take
10 action if she did not eat or became ill.

11 3.8 Defendants assigned Hobbs, Calvert, Hotaling, and Hoffman
12 ("delegation leaders") to accompany K.S. and the other student ambassadors to
13 Australia. Defendants failed to use reasonable care in the selection, training, and
14 supervision of the delegation leaders assigned to accompany and care for the
15 student ambassadors, including K.S.

16 3.9 During the trip, Defendants failed to reasonably care for, supervise or
17 monitor the children, failed to make well-balanced and nutritious food available for
18 the children on a daily basis and failed to ensure that the accommodations were
19 suitable and the children were properly clothed for the cold weather.
20

1 3.10 During the trip, K.S. became ill. As a result, during some meals she
2 ate negligible amounts and at other times she ate nothing at all. She showed signs of
3 illness. She also communicated to the Defendants' delegation leaders that she felt
4 ill.

5 3.11 Defendants failed to reasonably supervise and monitor K.S. and
6 therefore, failed to notice and respond to signs that she was ill and not eating.
7 Defendants did not call Plaintiffs Dorothy and Paul Spiotta, to inform them that
8 their daughter was ill. Defendants did not seek medical advice or care for K.S..
9 Defendants also failed to create and maintain an environment in which children
10 could privately report illness to their parents, or comfortably report illness to
11 Defendants and receive attention and medical care as needed. Instead, Defendants
12 isolated K.S. and ignored her. As a result, her condition worsened.

13 3.12 In the middle of the trip, Plaintiff Dorothy Spiotta contacted one of
14 Defendants' delegation leaders in Australia.

15 3.12.1 Dorothy Spiotta expressed concern that K.S. may not be
16 eating enough and that she was very sad. Mrs. Spiotta told the leader that she was
17 willing to travel to Australia to pick up K.S. if she was ill and could not finish the
18 trip. She was worried about her daughter.

19 3.12.2 The leader told Mrs. Spiotta that she need not worry
20 about her daughter and there was no need for her to make arrangements for K.S. to

1 leave the trip early. The leader repeatedly told Mrs. Spiotta that K.S. was fine, just
2 a little homesick. She also told Mrs. Spiotta that K.S. was in fact getting enough to
3 eat and that she and the other leaders would monitor K.S.'s meals and make sure
4 that she continued to get enough to eat. The leader made these statements without
5 making a reasonable investigation and without factual basis. The statements were
6 false.

7 3.12.3 Relying on the leader's representations, Dorothy and
8 Paul Spiotta did not take other steps to determine whether their daughter was ill,
9 needed medical assistance, or needed to end her travel early.

10 3.13 Despite their representations, Defendants failed to reasonably
11 supervise K.S., failed to monitor her food intake or health, and failed to take
12 appropriate action in response to K.S.'s illness. Defendants did not call Plaintiffs
13 Dorothy and Paul Spiotta to inform them that their daughter was ill. Defendants
14 did not seek medical advice or care for K.S.

15 3.14 As a result of Defendants' failure to take action, K.S.'s condition
16 continued to worsen.

17 3.15 On the morning of August 13, 2006, K.S. arrived back to the United
18 States. Dorothy and Paul Spiotta met K.S. at the airport. K.S.'s face was tearful,
19 her demeanor sullen and her body pale and emaciated.

20 3.16 Shortly after returning home, K.S. collapsed.

1 3.20.3 Defendants breached their duty to Plaintiffs by failing
2 supervise, monitor, care for, and timely and accurately report on the condition of
3 K.S. as described above, and by failing to take action when they knew or should
4 have known that she was ill. Defendants also breached their duty by failing to use
5 reasonable care in planning for the trip, and in their selection, training, and
6 supervision of the delegation leaders assigned to accompany and care for the
7 student ambassadors, including K.S.

8 3.20.4 As a proximate result of defendants' acts and omissions
9 described above, plaintiff K.S. suffered damages and personal injuries, including
10 but not limited to future medical and insurance expenses, physical pain and
11 suffering, physical injuries, disability, emotional distress, disfigurement, loss of the
12 enjoyment of life, loss of companionship, and damage to the parent-child
13 relationship.

14 3.20.5 As a proximate result of defendants' acts and omissions
15 described above, plaintiffs Dorothy and Paul Spiotta have suffered damages
16 including past and future medical and insurance expenses for K.S., travel expenses,
17 lost wages, other expenses incurred due to the hospitalization and treatment of K.S,
18 loss of companionship with their child, and damage to the parent-child
19 relationship.

1 3.20.6 By virtue of the foregoing, defendants are liable to
2 plaintiffs for negligence.

3 3.21 SECOND CLAIM FOR RELIEF

4 *Fraud*

5 3.21.1 Plaintiffs reallege all preceding paragraphs as if fully set
6 forth herein.

7 3.21.2 Defendants made various misrepresentations of existing
8 fact through information provided to Plaintiffs in their marketing materials,
9 orientation meetings, letters, brochures, guides, and website. These
10 misrepresentations included but were not limited to the following:

11 3.21.2.1 Defendants falsely represented that People
12 to People International participated in the creation, planning or implementation of
13 the student ambassador program in which K.S. participated. Defendants made this
14 representation in various ways, including but not limited to: the use of letterhead
15 with "People to People International" printed in the top left hand corner, sending a
16 letter to K.S. signed by "Mary Jean Eisenhower, President and CEO, People to
17 People International," and repeatedly referring to People to People International,
18 its founder, honorary chairmen (all Presidents of the United States), executives,
19 and history in informational meetings, mailings, brochures, and their program
20 website.

1 3.21.2.2 Defendants falsely represented that People
2 to People International accepted K.S. to participate in the People to People Student
3 Ambassador Class of 2006. Defendants made this representation in various ways,
4 including but not limited to: sending K.S. a letter of acceptance into the program,
5 purporting to be sent from People to People International – Office of Mary Jean
6 Eisenhower and signed by Ms. Eisenhower as President and CEO of People to
7 People International.

8 3.21.2.3 Defendants falsely represented that
9 President Eisenhower founded the student ambassador program in which K.S.
10 participated. Defendants made this representation in various ways, including but
11 not limited to: stating “President Dwight D. Eisenhower, Founder, People to
12 People International” on the Contribution Form sent to Plaintiffs and making
13 similar representations on its website, on page one of its program guide titled
14 “Explore Guide: South Pacific” and in various other marketing materials.

15 3.21.2.4 Defendants falsely represented that Mary
16 Eisenhower oversaw, monitored, or exercised control over the planning and
17 implementation of the student ambassador program in which K.S. participated, as
18 CEO and President of People to People International. Defendants made this
19 representation in various ways, including but not limited to: talking about Mary
20 Eisenhower in its orientation meetings, sending a letter to Plaintiff K.S. signed by

1 “Mary Jean Eisenhower, President and CEO, People to People International,” and
2 by including a welcome letter from Mary Eisenhower to student ambassadors on
3 page one of its program guide.

4 3.21.2.5 Defendants falsely represented that U.S.
5 Presidents George W. Bush, William J. Clinton, George H.W. Bush, Ronald W.
6 Reagan, Gerald R. Ford, Richard M. Nixon, Lyndon B. Johnson, and John F.
7 Kennedy, as honorary chairmen of People to People International, endorsed,
8 sponsored, or in some other way have approved of Defendants’ student
9 ambassador programs, including the one in which K.S. participated. Defendants
10 made this representation in various ways, including but not limited to: listing these
11 U.S. Presidents on letters to Plaintiffs and by including their names, photos and
12 quoted statements purportedly made by these presidents in materials sent to
13 Plaintiffs.

14 3.21.2.6 Defendants falsely represented that
15 Defendants’ staff who accompanied the student ambassadors abroad were trained
16 and qualified to appropriately respond the needs of students who became ill on the
17 trip. Defendants made these representations in various ways, including but not
18 limited to: statements made to Plaintiffs in informational meetings, on the program
19 website, and in other informational materials.

1 3.21.2.7 Defendants falsely represented that if K.S.
2 purchased medical insurance to cover her health care needs during and as a result
3 of the trip, K.S. would have access to proper health care at all times while abroad.
4 Defendants made these representations in various ways, including but not limited
5 to: statements made to Plaintiffs in informational meetings, the insurance policy,
6 and in other informational materials.

7 3.21.2.8 Defendants falsely represented that K.S. was
8 eating and the leaders would monitor K.S.'s meals and make sure that she
9 continued to eat appropriately. Defendants made these representations to Plaintiff
10 Dorothy Spiotta when she contacted the programs' leaders and expressed concern
11 about her daughter.

12 3.21.3 These representations of existing facts are material
13 because a reasonable person would attach importance to their existence or
14 nonexistence in determining whether to participate in Defendants' program or
15 whether to withdraw his or her child's participation in the program; or because
16 Defendants knew or had reason to know that the recipients of those facts regard
17 those matters as important in determining whether to participate in Defendants'
18 programs or to withdraw their child from the program.

19 3.21.4 Defendants' representations were false and Defendants
20 knew of their falsity.

1 3.21.5 Defendants intended that their representations be acted
2 upon by consumers to whom their representations were made, including Plaintiffs.

3 3.21.6 Plaintiffs were ignorant as to the falsity of Defendants'
4 representations at the time the representations were made and at the time Plaintiffs
5 relied on them;

6 3.21.7 Plaintiffs reasonably relied on the truth of Defendants'
7 representations at the time they applied for K.S. to participate in Defendants'
8 programs, and repeatedly after her acceptance and throughout the duration of the
9 trip.

10 3.21.8 As a proximate cause of Plaintiffs' reliance on
11 Defendants' material misrepresentations of existing fact, K.S. suffered damages to
12 person and property, including but not limited to future medical and insurance
13 expenses, the cost of the program, physical pain and suffering, physical injuries,
14 disability, emotional distress, disfigurement, loss of the enjoyment of life, loss of
15 companionship, and damage to the parent-child relationship.

16 3.21.9 As a proximate cause of Plaintiffs' reliance on
17 Defendants' material misrepresentations of existing fact, Dorothy and Paul Spiotta
18 suffered damages to person and property, including but not limited to past and
19 future medical and insurance expenses for K.S., the cost of the program and
20 insurance, travel expenses, lost wages, and other expenses incurred due to the

1 hospitalization and treatment of K.S, loss of companionship with their child and
2 damage to the parent-child relationship.

3 3.22 THIRD CLAIM FOR RELIEF

4 *Violation of the Consumer Protection Act*

5 3.22.1 Plaintiffs reallege all preceding paragraphs as if fully set
6 forth herein.

7 3.22.2 As set forth in paragraph 3.21.2 above, Defendants
8 engaged in unfair deceptive acts or practices, including but not limited to: making
9 various misrepresentations to Plaintiffs and the public regarding the student
10 ambassador program's history, founder, chairmen, CEO and president; meals
11 abroad; its health and safety protocols and benefits of medical insurance; the
12 qualifications and training of its staff to care for student ambassadors in their
13 custody; the sponsorship and approval of their services; their affiliations,
14 connections, or associations with each other; and represented that its services were
15 of a particular standard and quality.

16 3.22.3 These acts and practices had the capacity to deceive a
17 substantial portion of the public.

18 3.22.4 Defendants' unfair deceptive acts or practices occurred in
19 the conduct of trade or commerce in that defendants were engaged in the sale of
20 student travel services.

1 3.22.5 Defendants' unfair deceptive acts or practices have an
2 impact on the public interest because defendants use and rely on these acts or
3 practices to convince students and their parents in Washington, Virginia, and
4 nationwide to enroll students in their programs and entrust minor children in
5 defendants' care while traveling abroad.

6 3.22.6 Plaintiffs relied on defendants' misrepresentations.

7 3.22.7 As a result, plaintiff K.S. suffered damages to her
8 property and business, including the cost of the trip, and future medical and
9 insurance expenses. K.S. also suffered other actual damages including but not
10 limited to: emotional distress, physical pain and suffering, physical injuries,
11 disability, disfigurement, loss of companionship, and damage to the parent-child
12 relationship.

13 3.22.8 As a result, plaintiffs Dorothy and Paul Spiotta suffered
14 damages to their property and business, including the cost of the trip and insurance,
15 travel expenses, lost wages, past and future medical and insurance expenses for
16 K.S., and other expenses incurred due to the hospitalization and treatment of K.S.
17 They also suffered other actual damages including loss of companionship with
18 their child, and damage to the parent-child relationship.

3.23 FOURTH CLAIM FOR RELIEF

Breach of Contract

3.23.1 Plaintiffs reallege all preceding paragraphs as if fully set forth herein.

3.23.2 Plaintiffs Dorothy and Paul Spiotta entered into a contract with defendants.

3.23.3 Defendants breached the contract by failing to reasonably supervise and monitor K.S., failing to provide nutritious food choices to the student delegates, and failing to take action when K.S. became ill.

3.23.4 As a result of Defendants breach, plaintiffs Dorothy and Paul Spiotta suffered damages including the cost of the trip and insurance, travel expenses, lost wages, past and future medical and insurance expenses for K.S., and other expenses incurred due to the hospitalization and treatment of K.S.

3.24 NOTICE PURSUANT TO E.D.L.R. 44.1.1

3.24.1 Because of the interstate nature of this case, it will present choice of law issues. Resolution of those issues will require discovery and rulings by the Court. Based on the pleadings and discovery presently available, Plaintiffs believe that their first, second and third claims for relief—involving common law negligence, fraud, and violations of the consumer protection act—are governed by Virginia law. The Virginia Consumer Protection Act is Va. Code Ann. § 59.1-204

1 Alternatively, if the Court finds Virginia law does not govern these claims, with
2 respect to defendant People to People International plaintiffs may contend these
3 claims are governed by the law of Missouri or some other state that discovery
4 show, or the Court finds, has the most significant contacts with this case, with
5 respect to that claim.

6 **IV. REQUEST FOR RELIEF**

7 WHEREFORE, plaintiffs request relief as follows:

8 4.1 Compensatory damages as described above, in amounts to be proven
9 at trial.

10 4.2 Refund of the full amount paid by Plaintiffs to Defendants for the trip,
11 and paid by plaintiffs for medical insurance during the trip.

12 4.3 Attorney fees and costs of suit pursuant to RCW 19.86.090 and any
13 other applicable statute.

14 4.4 Treble damages pursuant to RCW 19.86.090 and any other applicable
15 statute.

16 4.5 Punitive damages to the extent allowable by law.

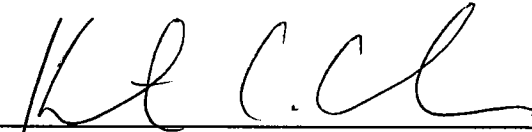
17 4.6 Injunctive relief as necessary to prevent future harm.

18 4.7 The right to conform the pleadings to the proof and evidence
19 presented at trial.

20 4.8 Such other relief as the Court deems just and equitable

1 DATED this 6 day of April, 2009.

2 MACDONALD HOAGUE & BAYLESS

3 By 

4 Timothy K. Ford, WSBA #5986

5 Katherine C. Chamberlain, WSBA #40014

6 Attorneys for Plaintiffs

CERTIFICATE OF SERVICE

I hereby certify that on April 6, 2009, I electronically filed the foregoing to the Clerk of the Court using the CM/ECF system which will send notification of such filing to the following:

- **Kenneth L Isserlis**
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By



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